

# Commonly Asked Tax Questions

## Wage Earners

### What should I put on my Form W-4?

Use the worksheet on the Form W-4 to determine what you should put on the form. If you need additional information, obtain Publication 919, *How Do I Adjust My Tax Withholding?* from the IRS by calling 1-800-829-3676 or by visiting [www.irs.gov](http://www.irs.gov). You may also wish to use the "Withholding Calculator" by visiting [www.irs.gov](http://www.irs.gov) and typing in *withholding calculator* into the search feature. Click on the "IRS Withholding Calculator" link and fill in all the information that applies to you.

### Is it OK to file exempt on my Form W-4?

You should only file exempt if you expect your total income from all sources for the entire year to be below the filing requirement. For the year 2007, a single person, under age 65, who cannot be claimed as a dependent by someone else can earn up to \$8,750 before they would have a tax liability.

### Do I need to file a tax return for 2006?

If you are single, under the age of 65, cannot be claimed as a dependent on someone else's return and your income is \$8,450 or more you must file a tax return. (Check with an IRS publication or representative regarding your situation if you have a different filing status, can be claimed as a dependent or are 65 or older.) If you received more than \$400 in self-employment or for contract labor (received Form 1099-MISC, nonemployee comp) you must file a return.

You will want to file a return even if your income is below the filing requirement, if you had federal or state income tax withheld, so that you can get that money refunded to you. You may even be entitled to the Earned Income Credit.

### What is the Earned Income Credit?

For 2006, if you had earned income (wages, self employment, etc.), have a child living with you for over six months, have a valid social security number for you and your child, and have income under \$32,001 (\$34,001 for married filing jointly), \$36,348 (\$38,348 for married filing jointly) with two or more children or If you are single or married filing a joint return, WITH NO CHILD, are at least 25 but under 65, and earning less than \$12,120 (\$14,120 for married filing jointly), you may qualify for the EIC. Check with the IRS or call 2-1-1 to find out.

### What do I need to file my 2006 tax return?

You will need your 2006 W-2 Forms or Form 1099-MISC (and any other income information) that should have been issued to you. If you have not received them, you

will need to contact your employer or payers. IRS cannot provide you with 2006 information until after August of this year. If you absolutely cannot get your W-2s and you have your pay stubs or a final pay stub listing your gross earnings and withholdings for the year, IRS may be able to help you prepare a substitute W-2 after February 15, 2007.

### Where can I go to have my taxes prepared?

If you cannot prepare your returns yourself and you cannot afford to pay a professional tax preparer, free help is available for basic returns. Each year, volunteers at various locations in the area can assist you free of charge with basic federal and Idaho tax returns. Some sites also offer free electronic filing. You may call the Idaho CareLine to find out where the site is nearest you at 2-1-1 or 1-800-926-2588.

### What if I haven't filed for a few years and should have gotten a refund?

There is a three year statute on refunds which means that right now you can file original or correct previously filed refund returns as far back as 2004 and still get your refund, provided you file by April 15, 2008. You will need your income information for the years you are filing for. If you do not have that information and cannot get it from your employers, you may obtain that information from the IRS. You may call the IRS at 1-800-829-1040 and follow the prompts in the recorded message. If you owe back taxes, child support or other federal debts you will not get your refund but it will be used as payment towards that debt on your behalf.

### What if I haven't filed for a few years and I think I owe?

IRS will generally only make you file back six years. The IRS can provide you with the income information and help you get current. You can set up a payment agreement or the IRS can withhold collection until you are more financially able to pay. Any refunds that you receive in the future would be applied until the liability is paid. It is always a good idea to get current on your taxes so that you can receive any refunds you might be entitled to in the future.

### Can I claim my children if I paid child support?

You can claim your child if your divorce decree or most recent support order specifically says that you can. If your support agreement does not specifically state who can claim the child then the exemption goes to the custodial parent. The custodial parent is the parent with whom the child lived with for the greater part of the year. Child support is not taxable nor is it deductible.